

BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of)	
)	
US AIRWAYS, INC.)	
)	Docket OST-02-13855
to amend an exemption pursuant)	
to 49 U.S.C. § 40109)	
(Washington, DC – Cancun, Mexico))	
(Baltimore, MD – Cancun, Mexico))	
)	

**APPLICATION OF US AIRWAYS, INC.
TO AMEND AN EXEMPTION
(Washington, DC/Baltimore, MD – Cancun, Mexico)**

Communications with respect to this document should be sent to:

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Counsel for US Airways, Inc.

March 30, 2004

NOTICE: If any party wishes to file an answer to this application, US Airways requests that such answers be due on or before April 14, 2004.

2. US Airways' proposed IAD-Cancun and BWI-Cancun services will also compete with flights to Cancun currently offered by other carriers from the United States, including United Air Lines' service between IAD and Cancun and USA 3000's service between BWI and Cancun.

3. The extensive public benefits resulting from US Airways' proposed service clearly support an award of exemption authority here.

II. Required Showings.

4. US Airways is a Delaware corporation with its principal office at Crystal Park Four, 2345 Crystal Drive, Arlington, Virginia 22227.

5. US Airways is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15)(C) and is fit, willing and able to serve Washington, DC-Cancun and Baltimore-Cancun. US Airways holds various certificates of public convenience and exemption authorities. *See, e.g.*, DOT Order 97-7-2 (various foreign authorities); Notice of Action Taken, March 18, 2003 (Docket OST-03-14671) (FLL-BDA). Indeed, US Airways currently has exemption authority to serve Cancun from Pittsburgh, Philadelphia, Boston, and Charlotte. *See* Notices of Action Taken, January 30, 2004 (PIT, CLT, PHL) & December 4, 2002 (BOS) (Docket OST-03-13855).¹ Pursuant to Rule 24 of the Department's Rules of Practice, US Airways requests that the Department take official notice of all information previously filed to establish US Airways' fitness.

6. **Washington, DC/Baltimore, MD – Cancun, Mexico (CUN).** US Airways plans to operate its services on a year-round basis commencing approximately July 17, 2004. The

¹ US Airways' PHL/CLT/PIT-Cancun authority was recently renewed and consolidated into Docket OST-02-13855. US Airways recently filed for an exemption in this docket for Ft. Lauderdale – Cancun service.

initial service plans are for Saturday-only service, although US Airways anticipates increasing service in both markets as demand warrants. For these services, US Airways plans to utilize Airbus A-319 aircraft, currently in its fleet, with 120-seats configured with 12F and 112Y seats.

7. A route map illustrating the proposed services and proposed, illustrative service schedules are attached as Exhibit CUN-A. The anticipated annual operating statistics and fuel consumption estimates are attached as Exhibit CUN-B.

8. As detailed in Exhibit CUN-B, US Airways' fuel consumption for the new services proposed herein would not exceed the ten million gallon threshold specified in Section 313.4 of the Department's regulations. US Airways anticipates no difficulties in obtaining adequate fuel supplies for these services.

9. The substantial consumer benefits and additional competition generated by these new services demonstrate that granting this application will be in the public interest.

10. United Air Lines is the only U.S. carrier currently providing scheduled, nonstop service in the Washington, D.C.-Cancun market, *see* April 2004 OAG (North American Guide), and no carrier other than United is listed as having such authority for passenger service, *see* U.S. Air Carrier Int'l Route Authority, USDOT Country Report (Nov. 1, 2003). Similarly, USA 3000 is the only U.S. carrier currently providing scheduled, nonstop service in the Baltimore-Cancun market, *see* April 2004 OAG (North American Guide), and no carrier other than USA 3000 is listed as having such authority for passenger service, *see* U.S. Air Carrier Int'l Route Authority, USDOT Country Report (Nov. 1, 2003). Thus, these requests are within the double-designation-per-city-pair limitation. *See* Order 99-6-6, at 4; U.S.-Mexico Bilateral Agreement, Annex I.B(4). The proposed services are consistent with the aviation agreement between the United States and Mexico.

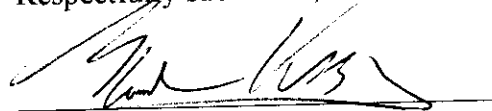
Application of US Airways to Amend
(WAS/BWI-Cancun)

11. US Airways will accept and abide by all terms, limitations, and conditions that the Department normally attaches to exemption authority for scheduled foreign air transportation.

WHEREFORE, US Airways, Inc. respectfully requests that its application to amend and request for designation, as discussed herein, be granted.

DATED: March 30, 2004

Respectfully submitted,



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Exhibit CUN-A-BWI

US Airways' Proposed Baltimore - Cancun Route

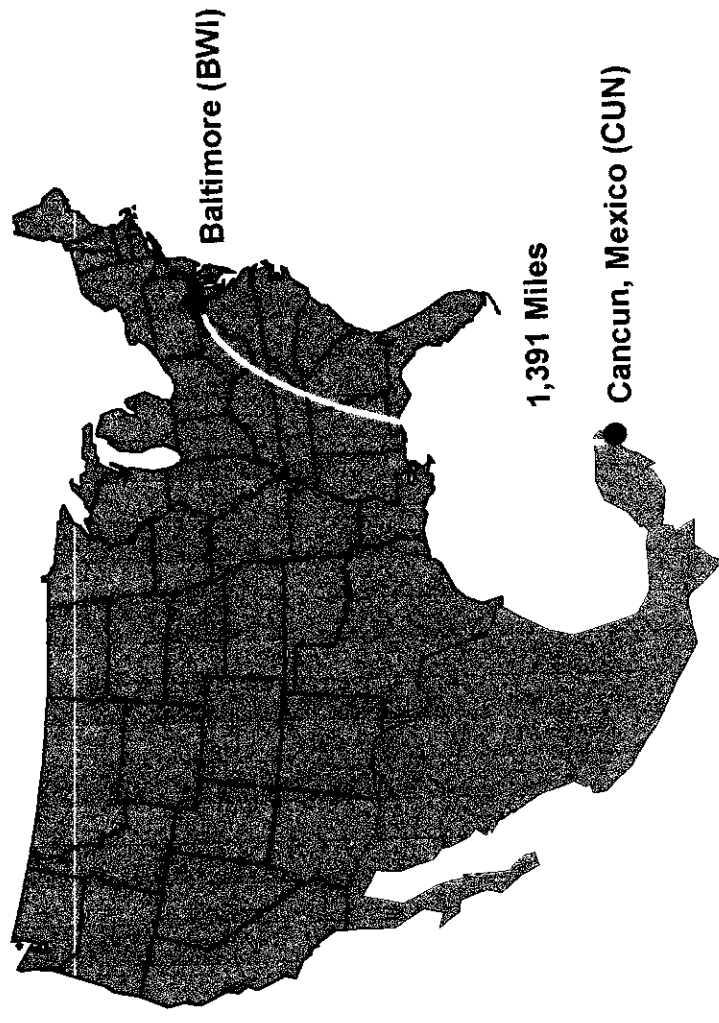


Exhibit CUN-A-IAD

US Airways' Proposed Washington Dulles - Cancun Route

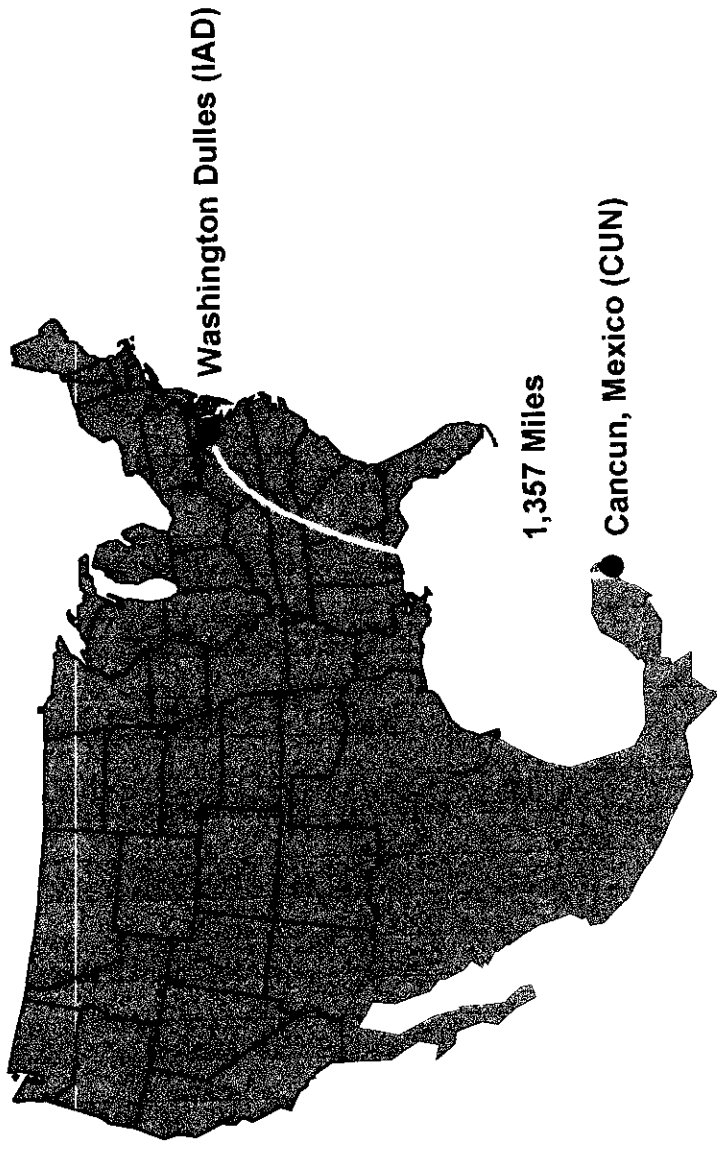


Exhibit CUN-B-IAD

US Airways' Proposed Schedule for Washington Dulles-Cancun
Service

Annual Schedule

Southbound

Northbound

9:20

lv Washington Dulles ar

17:15



11:41

ar

Cancun

lv

13:00

Notes All flights are Saturday-Only
Aircraft type: A-319 (120 seats)
All times are local
Source US Airways

Exhibit CUN-B-IAD

US Airways' Proposed Washington Dulles-Cancun Service

Annual Operating Statistics

Item	IAD-CUN
Equipment	A-319
Departures Performed 1/	102
Revenue Aircraft Miles (000) 2/	138
Available Seat Miles (000) 3/	16,597
Block Hours	339
Annual Fuel Consumed (000-gal)	258

1/ Based on Saturday-only service and 98% performance factor for all items

2/ Based on 1357 nonstop miles IAD-CUN

3/ Based on 120 seats (12F/108Y) for A-319

Exhibit CUN-B-BWI

US Airways' Proposed Schedule for Baltimore-Cancun Service

Annual Schedule

Southbound

9:20



11:50

lv

Baltimore

ar

ar

Cancun

lv

Northbound

17:15



12:50

Notes: All flights are Saturday-Only
Aircraft type: A-319 (120 seats)
All times are local
Source: US Airways

Exhibit CUN-B-BWI

US Airways' Proposed Baltimore-Cancun Service

Annual Operating Statistics

Item	BWI-CUN
Equipment	A-319
Departures Performed 1/	102
Revenue Aircraft Miles (000) 2/	142
Available Seat Miles (000) 3/	17,012
Block Hours	346
Annual Fuel Consumed (000-gal)	263

1/ Based on Saturday-only service and 98% performance factor for all items

2/ Based on 1391 nonstop miles BWI-CUN

3/ Based on 120 seats (12F/108Y) for A-319

CERTIFICATE OF SERVICE

I certify that, on this day I served a copy of the Application of US Airways for an Exemption (Dulles - Cancun) by first class U.S. Mail, postage prepaid, or by e-mail, on the following:

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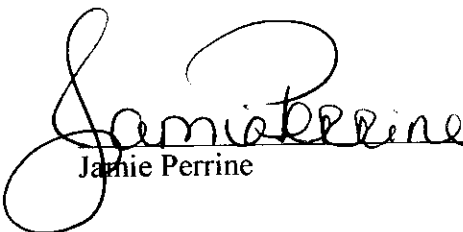
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March 30, 2004